

MEMORANDUM

TO: Council and AP Members
FROM: Chris Oliver *Chg*
Executive Director
DATE: September 24, 2002
SUBJECT: IFQ Program

ESTIMATED TIME
1 HOUR

ACTION REQUIRED

Review request from Akutan to be included as an eligible community to purchase halibut and sablefish commercial quota share

BACKGROUND

In April 2002, the Council approved Amendment 66 to the Gulf FMP, to allow eligible communities in the Gulf of Alaska to purchase commercial halibut and sablefish catcher vessel quota share (QS) in IPHC Areas 2C, 3A, and 3B for lease to community residents. Upon approval by the Secretary of Commerce, this amendment would modify the existing IFQ Program by revising the definition of eligible "person" that may hold halibut and sablefish quota share, with restrictions as developed by the Council.

The Council's action targets small, rural, fishing-dependent coastal communities in the Gulf of Alaska that have documented participation in the halibut and sablefish fisheries. The criteria adopted to determine a community's eligibility to participate in the IFQ Program are as follows: population of fewer than 1,500 (based on 2000 U.S. census); direct saltwater access; located on the Gulf of Alaska coast without direct road access; historic participation in the halibut or sablefish fisheries; and specific designation on a list adopted by the Council. The Council's final motion only applied to community purchase of quota share in Areas 2C, 3A, and 3B, and there was no provision to include community purchase of quota share in any other regulatory area. The comprehensive Council motion on this issue and the above mentioned list of eligible communities are attached as **Item C-10(c)(1)**.

The April 2002 Council action explicitly stated that eligible communities must meet the criteria mentioned above and be designated on the list of communities adopted by the Council. Communities not listed could apply to the Council to become eligible and would be evaluated using the same criteria. The Akutan Fisheries Association contacted Council staff following the Council's action on Amendment 66 and requested consideration of Akutan as an eligible Gulf community. Both letters submitted by the Akutan Fisheries Association and staff's responses to those letters are attached as **Item C-10(c)(2)**.

It is not apparent that Akutan would qualify as a Gulf of Alaska community, given its geographic location and inclusion in the western Alaska CDQ Program. One of the criterion for eligibility in the CDQ Program is that the community must not be located on the Gulf of Alaska coast of the North Pacific Ocean. For FMP and regulatory purposes, Akutan appears to be located in BSAI statistical and reporting area 519 (see **Item**

C-10(c)(3). (For halibut management purposes, Akutan is located in IPHC regulatory Area 4A.) However, upon request of the Akutan Fisheries Association, this issue has been scheduled for Council consideration at this meeting. The Council may choose to make a determination at this meeting or perhaps decide to schedule this issue for consideration at a later meeting.

Council Motion on Community Quota Share Purchase – Gulf FMP Amendment 66

April 10, 2002

The Council recommends to allow eligible Gulf of Alaska coastal communities to hold commercial halibut and sablefish QS for lease to and use by community residents, as defined by the following elements and options.

Element 1. Eligible Communities (Gulf of Alaska Communities only)

Rural communities with less than 1,500 people, no road access to larger communities, direct access to saltwater, and a documented historic participation in the halibut and/or sablefish fisheries.

Communities meeting the above criteria at final action will be listed as a defined set of qualifying communities in regulation (*see attached list*). Communities not listed must apply to the North Pacific Fishery Management Council to be approved for participation in the program and will be evaluated using the above criteria.

Element 2. Ownership Entity

- New non-profit community entity
- New non-profit entity formed by an aggregation of several qualifying communities
- New regional or Gulf-wide umbrella entity acting as trustee for individual communities

Element 3. Use Caps for Individual Communities

1% of Area 2C and 0.5% of the combined Area 2C, 3A and 3B halibut QS, and 1% of Southeast and 1% of all combined sablefish QS.

Communities in Areas 3A and 3B cannot buy halibut quota share in Area 2C and communities in Area 2C cannot buy halibut quota shares in Area 3B.

Element 4. Cumulative Use Caps for All Communities

Communities are limited to 3% of the Area 2C, 3A, or 3B halibut QS and 3% of the SE, WY, CG, or WG sablefish QS in each of the first seven years of the program, with a 21% total by area, unless modified by the Council through the five-year review.

Element 5. Purchase, use and sale restrictions

Block Restrictions (Block restrictions are retained if the community transfers QS.)

- Allow communities to buy blocked and unblocked shares.
- Individual communities will be limited to 10 blocks of halibut QS and 5 blocks of sablefish QS in each management area.
- Restrict community purchase of blocked halibut quota share to blocks of shares which, at the time of the implementation of sweep provisions (1996), exceeded the following minimum poundage of IFQ:
 - (a) For Areas 2C and 3A, minimum halibut IFQ poundage of 3,000 lbs.
 - (b) For areas SE, WY, CG, and WG, minimum sablefish IFQ poundage of 5,000 lbs.

DRAFT

Vessel Size Restrictions (Vessel size restrictions are retained if the community transfers the QS)

Quota share held by communities under this program would be exempt from vessel size (share class) restrictions while the QS is owned and leased by the community.

Transferability of halibut QS in Areas 2C and 3A from commercial to community entities is restricted to B and C category quota share.

Sale Restrictions

Communities may only sell their QS for one of the following purposes:

- (a) generating revenues to sustain, improve, or expand the program
- (b) liquidating the entity's QS assets for reasons outside the program. In that event, NMFS would not qualify that entity or another entity to hold QS for that community for a period of 3 years.

Use Restrictions

Leasing of community quota share shall be limited to an amount equal to 50,000 pounds of halibut and 50,000 pounds of sablefish IFQs, inclusive of any IFQ owned, per transferee.

Leasing of community quota share shall be limited to an amount equal to 50,000 pounds of halibut and 50,000 pounds of sablefish IFQs, inclusive of any IFQ owned, per vessel.

Element 6. Performance Standards

Communities participating in the program must adhere to the following performance standards established by NMFS in regulation:

- (a) Leasing of annual IFQs resulting from community owned QS shall be limited to residents of the ownership community. (Residency criteria similar to that established for the subsistence halibut provisions shall be used and verified by affidavit.)

The following should be seen as goals of the program with voluntary compliance monitored through the annual reporting mechanism and evaluated when the program is reviewed. When communities apply for eligibility in the program they must describe how their use of QS will comply with program guidelines. This information will be used as a benchmark for evaluating the program.

- (b) Maximize benefit from use of community IFQ for crew members that are community residents.
- (c) Insure that benefits are equitably distributed throughout the community.
- (d) Insure that QS/IFQ allocated to an eligible community entity would not be held and unfished.

Element 7. Administrative Oversight

Require submission of a detailed statement of eligibility to NMFS prior to being considered for eligibility as a community QS recipient. The statement would include:

- (a) Certificate of incorporation
- (b) Verification of qualified entity as approved in Element 2
- (c) Documentation demonstrating accountability to the community
- (d) Explanation of how the community entity intends to implement the performance standards

Require submission of an annual report detailing accomplishments. The annual report would include:

- (a) A summary of business, employment, and fishing activities under the program
- (b) A discussion of any corporate changes that alter the representational structure of the entity
- (c) Specific steps taken to meet the performance standards
- (d) Discussion of known impacts to resources in the area.

Element 8. Program Review

Council review of the program after 5 years of implementation.

The Council also recommends forming a community QS implementation committee, in order to ensure that the program is implemented as intended.

DRAFT

(42) Eligible Communities for Purchase of Halibut and Sablefish Quota Share (Element 1)

General Qualifying Criteria: Rural communities in the Gulf of Alaska with less than 1,500 people, no road access to larger communities, direct access to saltwater, and a documented historic participation¹ in the halibut or sablefish fisheries.

<u>Area 2C</u>		<u>Area 3A</u>	
<u>Community</u>	<u>Population²</u>	<u>Community</u>	<u>Population</u>
Angoon	572	Akhiok	80
Coffman Cove	199	Chenega Bay	86
Craig	1,397	Halibut Cove	35
Edna Bay	49	Karluk	27
Elfin Cove	32	Larsen Bay	115
Gustavus	429	Nanwalek	177
Hollis	139	Old Harbor	237
Hoonah	860	Ouzinkie	225
Hydaburg	382	Port Graham	171
Kake	710	Port Lions	256
Kassan	39	Seldovia	286
Klawock	854	Tatitlek	107
Metlakatla	1,375	Tyonek	193
Meyers Chuck	21	Yakutat	<u>680</u>
Pelican	163		
Point Baker	35	14 communities	2,711
Port Alexander	81		
Port Protection	63		
Tenakee Springs	104	<u>Area 3B</u>	
Thorne Bay	557	<u>Community</u>	<u>Population</u>
Whale Pass	58	Chignik	79
		Chignik Lagoon	103
21 communities	8,119	Chignik Lake	145
		Ivanof Bay	22
		King Cove	792
		Perryville	107
		Sand Point	<u>952</u>
		7 communities	2,200

¹As documented by CFEC, DCED, or reported by ADF&G in *Alaska Rural Places in Areas with Subsistence Halibut Uses*.

²2000 census data, Alaska Department of Community and Economic Development.

Note: The above 42 communities appear to meet the qualifying criteria at Council final action on April 10, 2002, and will be listed as a defined set of qualifying communities in Federal regulation. Communities not listed must apply to the North Pacific Fishery Management Council to be approved for participation in the program and will be evaluated using the above criteria.





AKUTAN FISHERIES ASSOCIATION

P. O. BOX 93
AKUTAN, ALASKA 99553

Phone/Fax 907-698-2324

To: N.P.F.M.C. **RESOLUTION No. 02-01**

From: Akutan Fisheries Association
P.O. Box 93
Akutan Island, Ak. 99553

Re: Application to N.P.F.M.C. Akutan Village Community, I. F. Qs,
Quota Share purchase.

Resolution No. 02-01: Requesting that Akutan Village, (A.V.) ie; The Akutan Fisheries Assoc; (A. F. A.) a non profit organization, To also be considered eligible to purchase Halibut I. F. Q. or vessel Q.S. in regulatory Area 4-A, to use as a community quota share, for lease to village residents, with Restrictions as developed by the council under FMP Amendment 66, Gulf of Alaska Communities.

Where as: The Village of Akutan was lead to believe that if they paid a membership fee of \$ 2.500.00 to join with the G.O.A.C.C. To be represented as a Gulf Community. Which under FMP Amendment 66, A. V. meets all required elements. And yet Akutan has been denied representation for no clear reason, So intern A. V. was not included on the list of eligible G. O. A. communities; and

Where as: A. V. was denied or overlooked in the first place, back when Halibut C.D.Qs Were being issued to eligible Bering Sea coastal communities, A. V. Did meet all required Bering Sea coastal community criteria, but was denied entrée into the C.D.Q. program. Based solely on unreliable insubstantial bogus information, that A. V. was prefit sharing. with Trident Sea foods Inc., research and investigation revealed that this claim as a matter of fact was a false assumption made by the N.P.F.M.C.; and

Where as: In 1995, A. V. was finally allowed into the C.D.Q. program. But because of Getting into the C.D.Q. program late, A. V. was subsequently denied a C.D.Q. Halibut Allocation from the T.A.C. for there community to fish, also not to mention the red tape it would've caused with the Halibut Sport and Commercial sector at that time; and

Where as: Since being deemed an eligible Bering Sea C.D.Q. community. A. V. has seen very little benefit or economic development here in Akutan through the Aleutian Pribilof Island Community Development Association. As of date, not counting The Higher education scholarship money, and a few part-time longshoremen type jobs A.P.I.C.D.A. has put a total of \$ 170.000, into the community of Akutan since 1995; and

There for be it resolved, that the Village of Akutan does hereby express concern and interest in being considered eligible for G.O.A. community Quota share purchase.
Passed and approved on this 31st day of May, 2002.

On behalf of the people of Akutan, Best regards,
Thanks for your consideration.

North Pacific Fishery Management Council

David Benton, Chairman
Chris Oliver, Executive Director

Telephone: (907) 271-2809



605 W 4th Ste 306
Anchorage, AK 99501-2252

Fax: (907) 271-2817

Visit our website: www.fakr.noaa.gov/npfmc

July 1, 2002

Akutan Fisheries Association
P. O. Box 93
Akutan Island, AK 99553

Dear A.F.A. Members:

Thank you for your letter regarding the Council's decision to approve Gulf FMP Amendment 66, to allow eligible remote, coastal communities in the Gulf of Alaska to purchase and use commercial catcher vessel halibut and sablefish quota share.

The Gulf of Alaska Coastal Communities Coalition (Coalition) initiated the proposal to allow communities to purchase commercial quota share in halibut management Areas 2C, 3A, and 3B in the Gulf of Alaska in June 2000. As I recall, throughout the extensive analysis and public comment process, there was not any discussion in public testimony or otherwise to include Area 4A in this program. Accordingly, the Council's motion on this issue only applied to Areas 2C, 3A, and 3B, and there was no provision to include community purchase of quota share in any other regulatory area. You may want to contact the Coalition to inquire as to origin of the proposal and how it was determined which Gulf areas would be included.

This is a new program that spurred much deliberation by the Council. The Council included a provision to review the program after five years of implementation, primarily to evaluate the impact on eligible communities and other participants in the IFQ Program and assess whether the program is meeting its stated goal. It may be appropriate at that time to consider expanding the program to other areas.

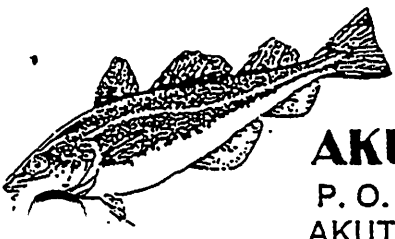
Once again, thank you for your letter.

Sincerely,



Chris Oliver
Executive Director
North Pacific Fishery Management Council

cc: Duncan Fields



AKUTAN FISHERIES ASSOCIATION

P. O. BOX 93
AKUTAN, ALASKA 99553

Phone/Fax 907-698-2324

July 17, 2002

Mr. Chris Oliver, Executive Director
North Pacific Fishery Management Council
605 West Fourth Avenue, Suite 306
Anchorage, AK 99501-2252

RECEIVED

JUL 23 2002

N.P.F.M.C

Dear Mr. Oliver:

Thank you for your letter of July 1st to the Akutan Fisheries Association, regarding the Gulf FMP Amendment 66. We have carefully considered your thoughts, and wish to respond.

Our community was invited to join GOACCC in the fall of 1999. We paid a large membership fee in September and looked forward to active membership in the Coalition. Darryl Pelkey represented Akutan at the meeting in May of 2000. He advocated for our involvement in the proposal to allow communities to purchase halibut and sablefish quota shares. The local fishermen and the community would indeed benefit from fishing the Gulf side and Mr. Pelkey testified to this at the meeting. Shortly thereafter, Akutan was informed that we would *not* be included in the program. We believe that this was a politically motivated decision and were quite dismayed by the action.

In June of this year, Akutan asked to be heard at the NPFMC meeting in Unalaska. We were told that there was to be no testimony regarding Gulf FMP Amendment 66. Although we continue to support and promote the program, it is frustrating that our fishermen cannot participate. We are supporting our fishermen in other ways, such as the development of a small boat harbor, one that will enable fishermen to use the larger vessels that are needed for safe fishing in the Gulf. Participation in the Community Quota Share Program is critical for our community's survival.

Ultimately, the GOACCC proposal was approved by the NPFMC, which leaves the decision to include Area 4A in your hands. We are asking to participate in the

CQSP program. Akutan meets all of the eligibility requirements as listed under Element 1:

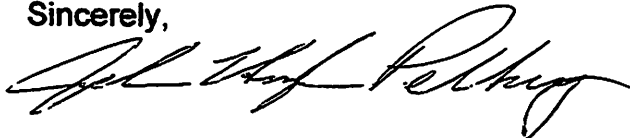
- ✓ We are a rural, Gulf of Alaska community of less than 1500 residents;
- ✓ We have no road access to larger communities and have direct access to saltwater.
- ✓ We have a strong history of participating in the halibut and sablefish fisheries on the Gulf side.

The Council motion on Community Quota Share Purchase states that communities who are not listed must apply to the NPFMC and that we will be evaluated using the stated criteria. It does not state that we must wait five years before being considered.

Please consider our application now, as this program is being implemented. And let us know if you have an actual application that you want us to complete, or if we can be of help in any other way.

On behalf of the Akutan fishermen, we thank you for your consideration.

Sincerely,



John H. Pelkey, President
Akutan Fisheries Association

cc: City of Akutan

North Pacific Fishery Management Council

David Benton, Chairman
Chris Oliver, Executive Director



605 W 4th Ste 306
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July 30, 2002

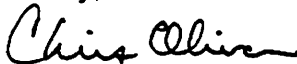
Mr. John H. Pelkey
Akutan Fisheries Association
P.O. Box 93
Akutan, AK, 99553

Dear Mr. Pelkey:

Thank you for the follow up letter regarding the Council's Amendment 66 which was approved by the Council in April 2002. This action, when implemented, would allow eligible Gulf of Alaska communities to purchase and hold halibut and sablefish quota shares. As you correctly noted in your letter, the Council approved a list of eligible communities, based on the following criteria: less than 1,500 people; no road access to larger communities; direct access to saltwater; and, historic participation in the halibut and sablefish fisheries.

Communities not listed could apply to the Council for participation, and the Council would review the request based on the criteria listed. It is not apparent that Akutan would qualify as a Gulf of Alaska community, given its geographic location and inclusion in the western Alaska CDQ program. However, I will consider your letter as a request for consideration, and will forward this request to the Council. I will schedule this for discussion at the next Council meeting, to be held in Seattle during the first week of October. The Council could make its determination at our October meeting in Seattle, or perhaps decide to schedule it for consideration at the December meeting to be held in Anchorage.

Sincerely,



Chris Oliver
Executive Director

CC: Duncan Fields, GCCC
Glenn Merrill, NMFS
Council Members

Fishery Conservation and Management

§ 679.2

(3) *For pot gear*: Where the first pot enters the water.

Gear retrieval means:

(1) For trawl gear: Where retrieval of trawl cable commences.

(2) For jig/troll gear: Where the jig/troll gear leaves the water.

(3) For hook-and-line or longline pot gear: Where the last hook-and-line or longline pot gear of a set leaves the water, regardless of where the majority of the haul or set took place.

(4) For pot-and-line gear: Where the last pot of a set leaves the water.

Groundfish means target species and the "other species" category, specified annually pursuant to § 679.20(a)(2).

Groundfish CDQ fishing means fishing by an eligible vessel listed on an approved CDP that results in the catch of any groundfish CDQ species, but that does not meet the definition of halibut CDQ fishing.

Groundfish CDQ fishing (applicable through December 31, 1998) means fishing by an eligible vessel listed on an approved CDP that results in the catch of any CDQ or PSQ species other than pollock CDQ, halibut CDQ, and fixed gear sablefish CDQ.

Groundfish license means a license issued by NMFS that authorizes the license holder designated on the license to deploy a vessel to conduct directed fishing for license limitation groundfish.

Groundfish product or fish product means any species product listed in Tables 1 and 2 to this part, excluding the prohibited species listed in Table 2 to this part.

Gulf of Alaska (GOA) means that portion of the EEZ contained in Statistical Areas 610, 620, 630, 640, and 650 (see Figure 3 to this part).

Halibut means Pacific halibut (*Hippoglossus stenolepis*).

Halibut CDQ fishing means the following:

(1) *Catcher vessel*. The following conditions are met at all times:

(i) Halibut CDQ is retained and the weight of halibut CDQ plus halibut IFQ onboard the vessel at any time represents the largest proportion of the retained catch in round weight equivalent onboard the vessel at that time, and

(ii) For catcher vessels less than 60 ft (18.3 m) LOA, the round weight equivalent of non-CDQ groundfish does not exceed the maximum retainable by-catch amounts for these species or species groups as established in § 679.20(e) and (f).

(2) *Catcher/processor*. Halibut CDQ is retained from a set and the weight of halibut CDQ plus halibut IFQ represents the largest proportion of the retained catch in round weight equivalent from that set.

Halibut CDQ reserve means the amount of the halibut catch limit for IPHC regulatory areas 4B, 4C, 4D, and 4E that is reserved for the halibut CDQ program (see § 679.31(b)).

Harvesting or to harvest means the catching and retaining of any fish.

Haul (See gear retrieval.)

Headrope means a rope bordering the top front end of a trawl.

Herring Savings Area means any of three areas in the BSAI presented in Figure 4 (see also § 679.21(e)(7)(v) for additional closure information).

High Seas Salmon Management Area means the portion of the EEZ off Alaska east of 175 degrees E. long. The High Seas Salmon Management Area is divided into a West Area and an East Area:

(1) The *West Area* consists of the waters of the High Seas Salmon Management Area which are west of 143°53'36" W. long. (Cape Suckling).

(2) The *East Area* consists of the waters of the High Seas Salmon Management Area east of 143°53'36" W. long.

Hunger relief agency means a tax-exempt organization with the primary purpose of feeding economically disadvantaged individuals free of charge.

Indictment, for purposes of subpart E of this part, means indictment for a criminal offense. An information or other filing by competent authority charging a criminal offense must be given the same effect as an indictment.

Individual means a natural person who is not a corporation, partnership, association, or other such entity.

Individual fishing quota (IFQ) means the annual catch limit of sablefish or halibut that may be harvested by a person who is lawfully allocated a harvest privilege for a specific portion of the TAC of sablefish or halibut.

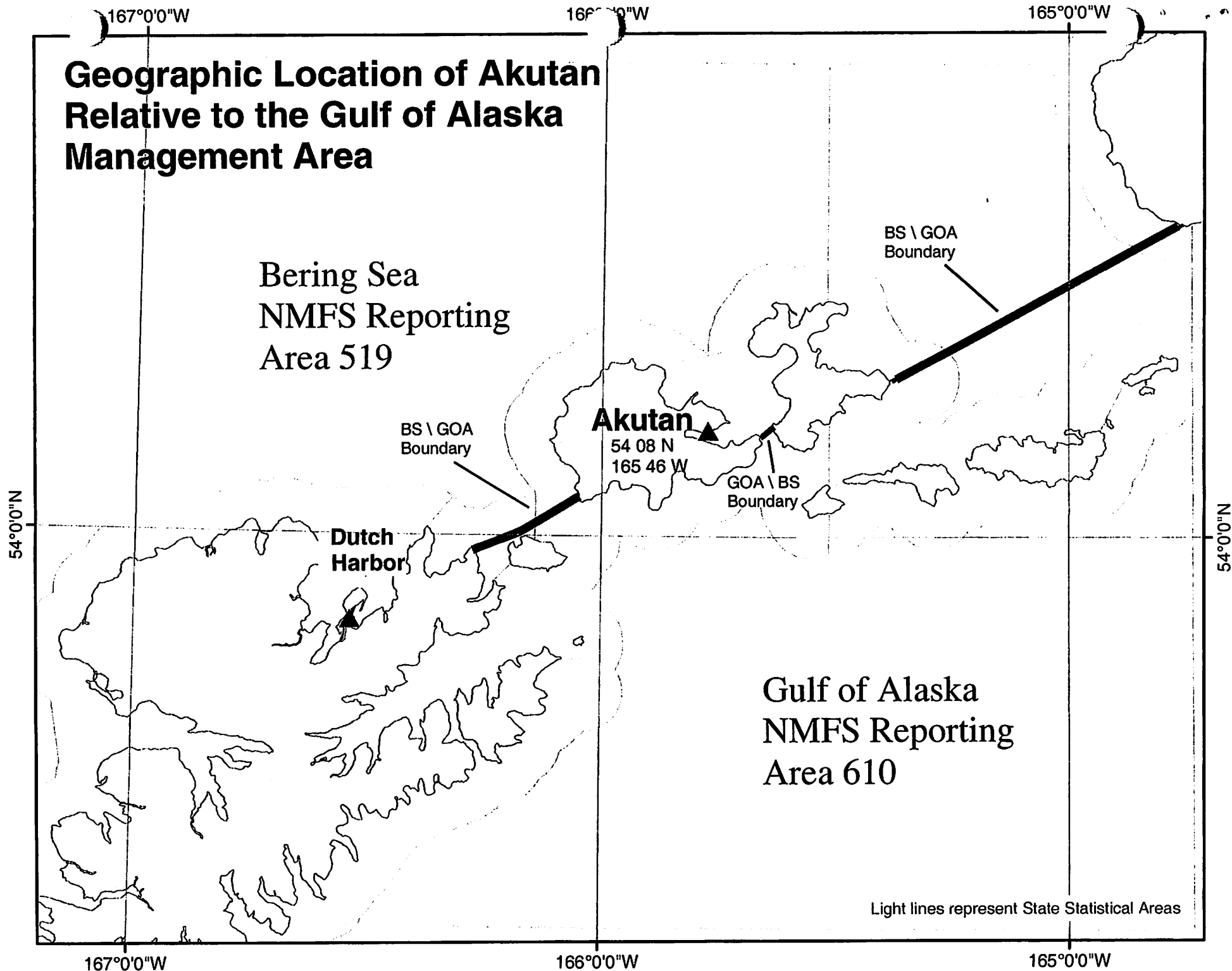
Figure 3 to Part 679. Gulf of Alaska Statistical and Reporting Areas
b. Coordinates (Updated 4/1/02)

Code	Description
610	<p><u>Western GOA Regulatory Area, Shumagin District.</u> Along the south side of the Aleutian Islands, including those waters south of Nichols Point (54°51' 30" N lat) near False Pass, and straight lines between the islands and the Alaska Peninsula connecting the following coordinates in the order listed:</p> <p style="text-align: center;">52°49.18' N, 169°40.47' W; 52°49.24' N, 169°07.10' W; 53°23.13' N, 167°50.50' W; 53°18.95' N, 167°51.06' W; 53°58.97' N, 166°16.50' W; 54°02.69' N, 166°02.93' W; 54°07.69' N, 165°39.74' W; 54°08.40' N, 165°38.29' W; 54°11.71' N, 165°23.09' W; 54°23.74' N, 164°44.73' W; and</p> <p>southward to the limits of the US EEZ as described in the current editions of NOAA chart INT 813 (Bering Sea, Southern Part) and NOAA chart 500 (West Coast of North America, Dixon Entrance to Unimak Pass), between 170°00' W long and 159°00' W long.</p>
620	<p><u>Central GOA Regulatory Area, Chirikof District.</u> Along the south side of the Alaska Peninsula, between 159°00' W long and 154°00' W long, and southward to the limits of the US EEZ as described in the current edition of NOAA chart 500 (West Coast of North America, Dixon Entrance to Unimak Pass).</p>
630	<p><u>Central GOA Regulatory Area, Kodiak District.</u> Along the south side of continental Alaska, between 154°00' W long and 147°00' W long, and southward to the limits of the US EEZ as described in the current edition of NOAA chart 500 (West Coast of North America, Dixon Entrance to Unimak Pass). Excluding area 649.</p>

640	<p><u>Eastern GOA Regulatory Area West Yakutat District.</u> Along the south side of continental Alaska, between 147°00' W long and 140°00' W long, and southward to the limits of the US EEZ, as described in the current edition of NOAA chart 500 (West Coast of North America, Dixon Entrance to Unimak Pass). Excluding area 649.</p>
649	<p><u>Prince William Sound.</u> Includes those waters of the State of Alaska inside the base line as specified in Alaska State regulations at 5 AAC 28.200.</p>
650	<p><u>Eastern GOA Regulatory Area, Southeast Outside District.</u> East of 140°00' W long and southward to the limits of the US EEZ as described in the current edition of NOAA chart 500 (West Coast of North America, Dixon Entrance to Unimak Pass). Excluding area 659.</p>
659	<p><u>Eastern GOA Regulatory Area, Southeast Inside District.</u> As specified in Alaska State regulations at 5 AAC 28.105 (a)(1) and (2).</p>
690	<p><u>GOA outside the U.S. EEZ</u> as described in the current editions of NOAA chart INT 813 (Bering Sea, Southern Part) and NOAA chart 500 (West Coast of North America, Dixon Entrance to Unimak Pass).</p>

NOTE: A statistical area is the part of a reporting area contained in the EEZ.

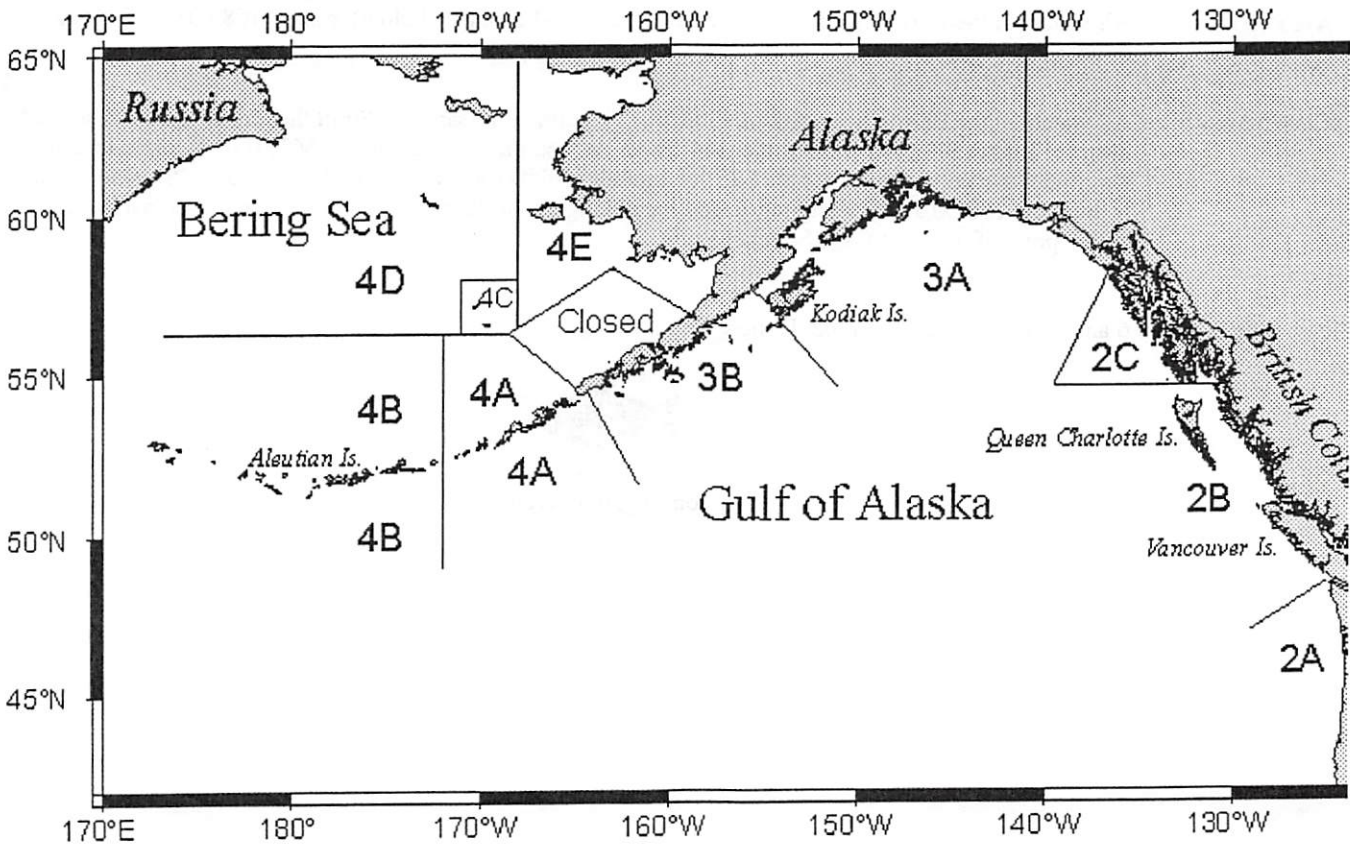
Geographic Location of Akutan Relative to the Gulf of Alaska Management Area



*from NK
C-10C*

IPHC Regulatory Areas

(Click on image for a larger version)



- Area 2A:** All waters off the states of California, Oregon, and Washington
- Area 2B:** All waters off British Columbia
- Area 2C:** All waters off Alaska that are east of a line running 340° true from Cape Spencer Light (58°11'57" N. lati 136°38'18" W. longitude) and south and east of a line running 205° true from said light.
- Area 3A:** All waters between Area 2C and a line extending from the most northerly point on Cape Aklek (57°41'15" latitude, 155°35'00" W longitude) to Cape Ikolik (57°17'17" N. latitude, 154°47'18" W. longitude), then a Kodiak Island coastline to Cape Trinity (56°44'50" N. latitude, 154°08'44" W. longitude), then 140° true
- Area 3B:** All waters between Area 3A and a line extending 150° true from Cape Lutke (54°29'00" N. latitude, 164° longitude) and south of 54°49'00" N. latitude in Isanotski Strait
- Area 4A:** All waters in the Gulf of Alaska west of Area 3B and in the Bering Sea west of the closed area (see below east of 172°00'00" W. longitude and south of 56°20'00" N. latitude
- Area 4B:** All waters in the Bering Sea and the Gulf of Alaska west of Area 4A and south of 56°20'00" N. latitude
- Area 4C:** All waters in the Bering Sea north of Area 4A and north of the closed area (see below) which are east of

W. longitude, south of 58°00'00" N. latitude, and west of 168°00'00" W. longitude

Area 4D: All waters in the Bering Sea north of Areas 4A and 4B, north and west of Area 4C, and west of 168°00'0 longitude

Area 4E: All waters in the Bering Sea north and east of the closed area (see below), east of 168°00'00" W. longitude of 65°34'00" N. latitude

Closed area All waters in the Bering Sea north of 55°00'00" N. latitude in Isanotski Strait that are enclosed by a line from Sarichef Light (54°36'00" N. latitude, 164°55'42" W. longitude) to a point at 56°20'00" N. latitude, 168°3 longitude; thence to a point at 58°21'25" N. latitude, 163°00'00" W. longitude; thence to Stroganof Point N. latitude, 158°50'37" W. longitude); and then along the northern coasts of the Alaska Peninsula and Un to the point of origin at Cape Sarichef Light.

Please refer sections 6 and 10 of the [Pacific Halibut Fishery Regulations](#)



[\[Home\]](#) [\[Commercial\]](#)

PUBLIC TESTIMONY SIGN-UP SHEET FOR AGENDA ITEM C-10(c) Akutan Proposal

**PLEASE SIGN ON THE NEXT BLANK LINE.
LINES LEFT BLANK WILL BE DELETED.**

	NAME	AFFILIATION
1.	HUGH PELKEY } Together	AKUTAN O.F.A.P.I.C.D.A.
2.	LARRY COFFEE }	AKUTAN FISHERIES ASSOC:
3.	Beth Stewart	AEB — We support the plan
4.	JOE BERESKIN	C.O.A.
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PLEASE PRINT

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Hugh Pelkey
Larry Cotter

Mr. Chairman, Members of the Council:

My name is Hugh Pelkey. I am testifying on behalf of the Akutan Fishermen's Association. I am also a member of the APICDA board of directors. With me is Joe Kyle, APICDA's Chief Operating Officer.

The goal of the Akutan Fishermen's Association is to develop a serious, small boat, local fishery. Our local fleet consists of skiffs and small vessels. Our fishery options are currently limited to rock fish, halibut and cod. On an annual basis, our local fleet lands about 35,000 pounds of product total. That is not enough to sustain our fleet.

We have been working with APICDA for the past few years to develop a program that can help us achieve our goal. In the next year, we hope to form a joint venture company that will market our products for us, and help us upgrade our fleet and our equipment. Our initial focus will be rock fish and halibut.

When the Council established the halibut CDQ program, Area 4A – where Akutan is located – was not included. I understand that is because Area 4A includes waters that are in both the Gulf of Alaska and the Bering Sea. Although APICDA has halibut CDQs in Areas 4B and 4C, both are too far from Akutan for our local fishermen to participate and use the CDQ to develop a local halibut fishery. Akutan and Nikolski are the only two eligible CDQ communities in Area 4A. We are also the only two CDQ communities in the entire program that are located in an area that has halibut fishing that do not have a halibut CDQ.

Halibut IFQs are expensive, particularly for people who have little money. Although APICDA has a loan guarantee program that our residents can access – and some have – the debt service on a loan is so great that nearly all of the ex-vessel value of our halibut is used to pay operating expenses and debt. In reality, we work nearly for free.

In communities where halibut CDQs exist, the ability for a local fisherman to harvest the CDQ at little or no cost helps serve as a financial foundation for that fisherman to be able to afford to buy IFQ. Because we do not have a halibut CDQ in Area 4A, Akutan does not have the foundation that we need to realistically develop our small boat fleet.

Joe Kyle will describe for you our proposal to cure this problem. Thanks you.

Area 4A CDQ Proposal

1. Establish a 4A halibut CDQ.
2. The CDQ is a defined annual amount. It is funded from the unused IFQ from each year. There is no adjustment to any 4A IFQ or quota shares.
3. Three CDQ amounts should be analyzed: 75,000 pounds, 100,000 pounds, or 125,000 pounds.
4. At the end of the year, the amount of unused 4A IFQ for that year shall be compared to the CDQ allocation. If the amount of unused IFQ is equal or greater than the CDQ allocation, the next year's CDQ allocation will remain the same. If the amount remaining is less than the CDQ allocation, the next year's CDQ allocation will be reduced by that amount.
5. Attached table shows Area 4A quotas, and amount remaining for all years since 1995. Average amount left unharvested is 206,771 pounds.

Year	<u>TAC (1,000 lbs)</u>	<u>% Harvested</u>	<u>Am't Remaining</u>
1995	1,950	81%	366,331
1996	1,950	89%	214,491
1997	2,940	95%	173,228
1998	3,500	92%	296,769
1999	4,240	98%	74,785
2000	4,970	98%	108,486
2001	4,970	97%	146,372
2002	4,970	94%	273,708
		8 year Total%	1,654,170
		8 Year Avg. %	206,771

Note: the 2002 season is still open.

Source: Phil Smith, RAM, October 5, 2002